



City of Des Moines



BENEFITS SUMMARY 2015

Non-represented and Teamsters Employees

Social Security Replacement and Deferred Compensation Plans

In lieu of Social Security, the City and employees each contribute to a 401(a) plan, and the City contributes to a 457 deferred compensation plan as follows:

		City Contribution	Employee Contribution
401(a)	Non-represented Employees	5.00%	6.20%
	Teamsters	5.00%	6.20%
457	Non-represented Employees	1.52%	Choice
	Teamsters	0.353%	Choice

Vesting for the 401(a) plan is: 25% after two years of service; 50% after three years of service; 75% after four years of service; and 100% after five years of service. There is no vesting requirement for the 457 plan. To qualify for this program an employee must be a regular employee whose position is budgeted for 30 hours or more per week.

Washington State Retirement System

The City participates in the Washington State Department of Retirement Systems (DRS) plans; regular non-represented and Teamster employees are covered by the Public Employees Retirement System (PERS). More information at the DRS website:

www.drs.wa.gov/member/handbooks/pers/plan-2/default.htm

www.drs.wa.gov/member/handbooks/pers/plan-3/default.htm

New PERS members have *only 90 calendar days* to make their irrevocable plan choice between PERS 1 and PERS 2; see this DRS Plan Choice Booklet for more information:

<http://www.icmarc.org/prebuilt/apps/downloadDoc.asp>

Medical Plan Options

Employees have the following choices of medical plans through the Association of Washington Cities (AWC). Click on these hyperlinks for the benefits summary for each plan.

1. [Regence High Deductible Health Plan](#) (HDHP-HRA package)
2. [Group Health High Deductible Health Plan](#) (HDHP-HRA package)
3. [Regence HealthFirst Plan](#)
4. [Group Health \\$10 Copay Plan](#)

HDHP-HRA Medical Plan Package

For employees who choose the City's HDHP-HRA package (Option 1 or 2 above), the City covers the full high deductible amount, and more. With the high deductible plans, the City prefunds a benefits debit card for the full amount of the deductible, and also covers a share of coinsurance costs. In summary:

- The City pays 100% of the premiums for employee and 90% for dependents
- The City preloads HRA benefits debit card with \$1,500 for employee only or \$3,000 if enrolling dependent(s). Preloading amounts are prorated for new hires based on the number of months covered by City of Des Moines health insurance in the current calendar year.
- Benefits debit card can be used to pay the deductible or other medical, dental, vision expenses (IRS Code 213d).
- If the deductible is met, the employee must pay any coinsurance of \$1,500 single or \$3,000 ("donut hole").
- The City then pays any remaining coinsurance until the out-of-pocket maximum is reached (\$5,000 single/\$10,000 family per year)
- Once the out-of-pocket maximum is reached, the Regence or Group Health pays 100% of covered costs.
- All funds remaining on the benefits debit card by the end of the calendar year are deposited into the employee's HRA-VEBA account the following April.

Regence HDHP Monthly Premiums

	2015 <u>Rate</u>	Employee % <u>Share</u>	Employee \$ <u>Share</u>
Employee	374.18	0%	0.00
Spouse	378.79	10%	37.88
First dependent	189.93	10%	18.99
Second dependent	155.52	10%	<u>15.55</u>
No additional charge for 3 or more dependents	Employee Cost Full Family:		72.42

Group Health HDHP Monthly Premiums

	2015 <u>Rate</u>	Employee % <u>Share</u>	Employee \$ <u>Share</u>
Employee	403.39	0%	0.00
Spouse	395.30	10%	39.53
First dependent	202.01	10%	20.20
Second dependent	202.01	10%	<u>20.20</u>
No additional charge for 3 or more dependents	Employee Cost Full Family:		79.93

HRA-VEBA

- For employees who choose Regence HDHP or Group Health HDHP, the City contributes up to \$1,500 (employee only) or \$3,000 (if enrolling at least one dependent) of the employee's remaining benefits debits card funds to the employee's HRA-VEBA the following year.

Traditional Medical Plans

For employees who choose the HealthFirst or Group Health \$10 Copay Plan (Option 3 or 4 above):

- The City pays 95% of the premiums for the employee and 85% for dependents in 2015 (In 2016, the City's share will decrease to 90% for employee and 80% for dependents)
- The City contributes \$580 for employee-only coverage or \$1,130 for employee plus at least one dependent.
- The HRA-VEBA is an account-based plan to save with investment earnings for medical costs in retirement, or use to reimburse qualified out-of-pocket healthcare costs as defined by the IRS. VEBA stands for voluntary employees' beneficiary association, a trust instrument authorized by the IRS. HRA VEBA funds do roll over from year to year. All contributions, investment earnings, and withdrawals (claims) are tax-free.

Regence HealthFirst Monthly Premiums

	2015 <u>Rate</u>	Employee % <u>Share</u>	Employee \$ <u>Share</u>
Employee	698.91	5%	34.95
Spouse	704.20	15%	105.63
First dependent	346.57	15%	51.97
Second dependent	287.09	15%	43.06
No additional charge for 3 or more dependents	Employee Cost Full Family:		235.61

Group Health \$10 Copay Monthly Premiums

	2015 <u>Rate</u>	Employee % <u>Share</u>	Employee \$ <u>Share</u>
Employee	550.87	5%	27.54
Spouse	542.77	15%	81.42
First dependent	276.69	15%	41.50
Second dependent	276.69	15%	41.50
No additional charge for 3 or more dependents	Employee Cost Full Family:		191.97

HRA-VEBA

- For employees who choose Regence HealthFirst or Group Health \$10 Copay, the City contributes \$580 (employee only) or \$1,130 (if enrolling at least one dependent) to the employee's HRA-VEBA. Those contributions are prorated for new hires based on the number of months covered by City of Des Moines health insurance in the current calendar year.

Flexible Spending Account (FSA)

The FSA is optional (via payroll deduction) regardless of which medical plan chosen. There are two types of FSAs. One is for eligible medical expenses, with a maximum contribution amount of \$2,550. The IRS recently altered its long-standing "use it or lose it" rule, now allowing carryover of up to \$500 in unused health FSA funds to the following calendar year. The other type of FSA is for dependent care, with an annual limit of \$5,000 for qualifying individuals who are married and file a joint return, or \$2,500 for those who are married and file separate returns.

Dental and Orthodontia

The City pays 100% of the premiums for Washington Dental Services Plan F through AWC plus the Orthodontia Plan II for children. The monthly premiums are:

<u>Dental Plan F</u>	
Employee	\$54.79
Employee + 1 dependent	103.63
Employee + 2 or more dependents	162.21
<u>Orthodontia Plan II</u>	
Employee	\$0.00
Employee + 1 dependent	.41
Employee + 2 or more dependents	19.36

Vision

The City pays 100% of the premiums for the \$25 Copay Vision Service Plan (VSP) through AWC:

Employee	\$7.96
Employee + 1 dependents	15.92
Employee + 2 or more dependents	23.88

Cigna Insurance

The City pays 100% of the premiums for the Basic Term Life, Basic Personal Accident (AD&D), Long Term Disability (LTD), and Survivor Income Benefit (SIB) insurance through Cigna.

- The Basic Term Life insurance payout amount is 150% of annual salary rounded to the next higher \$1,000. The monthly premium rate is \$0.135 per \$1,000 of annual salary.
- The Basic Personal Accident coverage provides 1.5 times the annual compensation rounded to the next higher \$1,000 not to exceed \$250,000 from 20% to 100%. The monthly premium rate is \$0.036 per \$1,000
- The LTD plan provides 60% of the employee's monthly covered earnings rounded to the nearest dollar or the maximum disability benefit of \$8,000 per month. The monthly premium rate is \$0.364 per \$1,000 of annual salary.
- The SIB plan provides 20% to 40% of the employee's annual salary depending on the number of eligible surviving dependents. The monthly premium rate for the SIB plan is \$0.171 per \$1,000 of annual salary

Vacation

Annual paid vacations are granted to all regular full-time employees and, on a pro rata basis, to regular part-time employees according to the following schedule:

<u>Years of Service</u>	<u>Monthly Accrual</u>	<u>Maximum Annual Carryover</u>
0-3 years	8 hours	255 hours
4-6 years	10 hours	270 hours
7-10 years	12 hours	285 hours
11-15 years	14 hours	300 hours
16+ years	16 hours	315 hours

Sick Leave

All regular full-time employees accrue sick leave benefits at the rate of eight hours per month. Regular, part-time employees accrue prorated sick leave benefits according to hours worked.

Employee Assistance Program

The City pays the full premium for the ComPysch Employee Assistance Premium through AWC at a cost of \$1.65 per month.

Questions

If you have any questions about the City's benefits, please call Maureen Murphy, Human Resources Manager, at 206-870-6722.